HOT ONLY

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PAKISTANI POLITICAL SITUATION

- I. Tough-minded but chronically ailing

 Governor General heading able pro-American government now appears control situation.
 - A. Govt. has full support of armed and civil services.
 - B. Will deal firmly with any counter move by dissidents.
 - C. Mohammed Ali holds office as front for governor general and cabinet with tenure dependent on good behavior.
 - D. Moslem League now badly split, moribund.
 - 1. Postponement scheduled convention by both government and dissident factions indicates no positive achievement possible.
 - 2. Unlikely League can revitalize self soon.
 - E. As result this situation, national elections not imminent.

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- 1. Govt. may feel unable control them.
- Constitution therefore further delayed.

NOFORN

- II. Govt. faces problems in effort achieve stability.
 - A. Absence responsible political groups.
 - B. Economic instability, due:
 - 1. Jute and cotton slump.
 - 2. Resultant shortage foreign exchange essential to economic development.
 - 3. Recent increase US aid to \$155
 million for FY 1955 will meet current
 year's need.